

Senate Bill 448

By: Senators Thomas of the 2nd, Brown of the 26th, Harbison of the 15th, Reed of the 35th,
Starr of the 44th and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated,
2 known as the "Natural Gas Competition and Deregulation Act," so as to require the Public
3 Service Commission to declare an emergency and regulate the delivery of natural gas to retail
4 customers in this state; to provide for the applicability of certain laws with respect to the
5 Public Service Commission's regulation of the delivery of natural gas to retail customers in
6 this state; to provide for contracts between electing distribution companies and marketers,
7 between marketers and retail customers, between electing distribution companies and the
8 regulated provider, and between the regulated provider and the Public Service Commission
9 or the state; to provide that upon the expiration of certain contracts, electing distribution
10 companies shall be prohibited from distributing natural gas to certain marketers and the
11 regulated provider; to provide for the assignment of retail customers whose marketer no
12 longer sells natural gas in intrastate commerce to retail customers; to authorize the merger
13 of an electing distribution company and its affiliate marketer; to provide for transfer and
14 distribution of moneys in the universal service fund; to provide that nothing in this Act shall
15 be construed to impair the obligation of any contract; to authorize the Public Service
16 Commission to promulgate and adopt rules and regulations; to provide for related matters;
17 to provide an effective date; to repeal conflicting laws; and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, known as the
21 "Natural Gas Competition and Deregulation Act," is amended by adding following Code
22 Section 46-4-166 a new Code Section 46-4-167 to read as follows:

23 "46-4-167.

24 (a) On July 1, 2006, the Public Service Commission is required to declare an emergency
25 in the delivery of natural gas in this state. After the declaration of such emergency, the

1 alternative form of regulation of the natural gas industry shall no longer be effective and
2 Code Sections 46-2-23.1 and 46-4-150 through 46-4-166 shall no longer be applicable to
3 regulation of the natural gas industry, gas companies, and persons or companies selling
4 natural gas in intrastate commerce to retail customers in this state. After the declaration of
5 such an emergency, electing distribution companies, marketers, and the regulated provider
6 selected in accordance with Code Section 46-4-166, heretofore governed by the provisions
7 of this article, shall be governed by provisions of law other than Code Sections 46-2-23.1
8 and 46-4-150 through 46-4-166 and by rules and regulations of the commission not in
9 conflict with such other laws. Except as otherwise provided in this Code section, contracts
10 between an electing distribution company and a marketer, between a marketer and a retail
11 customer, between an electing distribution company and the regulated provider, between
12 the regulated provider and a retail customer, and between the regulated provider and the
13 Public Service Commission or the State of Georgia shall remain valid and enforceable
14 unless otherwise terminated by the parties thereto.

15 (b) Upon the declaration of an emergency as provided in subsection (a) of this Code
16 section, an electing distribution company and any marketer may, upon mutual agreement,
17 elect to terminate a contract which provides for the distribution of natural gas from the
18 electing distribution company to the marketer. Upon such a mutual agreement, any retail
19 customers of such marketer, which ceases to engage in the business of providing natural
20 gas in intrastate commerce to retail customers in this state, shall be assigned to the electing
21 distribution company which distributed natural gas to the marketer or to such gas
22 company's affiliate marketer. Any such marketer which ceases to engage in such business
23 shall be required to furnish all records and billing information relating to its retail
24 customers to the gas company or its affiliate marketer to which the retail customers are
25 assigned.

26 (c) On and after the date of the declaration of an emergency as provided in subsection (a)
27 of this Code section, marketers shall be prohibited from renewing a contract with a retail
28 customer or executing a new contract with a retail customer the terms of which would
29 extend beyond the date of the expiration of the contract existing on the date of the
30 declaration of an emergency between the electing distribution company and the marketer
31 which provides for the distribution of natural gas from the electing distribution company
32 to the marketer.

33 (d) After the declaration of an emergency as provided in subsection (a) of this Code
34 section and upon the expiration of any contract between an electing distribution company
35 and a marketer which provides for the distribution of natural gas from the electing
36 distribution company to the marketer, other than a contract with the electing distribution

1 company's affiliate marketer, the electing distribution company shall be prohibited from
2 any further distribution to such marketer of any natural gas to be resold in intrastate
3 commerce to retail customers in this state.

4 (e) On and after the date of the declaration of an emergency as provided in subsection (a)
5 of this Code section, the regulated provider selected in accordance with Code Section
6 46-4-166 shall be prohibited from executing a contract or renewing a contract with the
7 electing distribution company that provides for the distribution of natural gas from the
8 electing distribution company to such regulated provider the terms of which would extend
9 beyond the date of the termination of any contract between such regulated provider and the
10 Public Service Commission or the State of Georgia for the sale of natural gas in Georgia
11 in accordance with Code Section 46-4-166.

12 (f) On and after the date of the declaration of an emergency as provided in subsection (a)
13 of this Code section, the regulated provider selected in accordance with Code Section
14 46-4-166 shall be prohibited from executing a contract or renewing a contract with any
15 retail customer in Georgia that provides for the distribution of natural gas to the retail
16 customer the terms of which would extend beyond the date of the termination of any
17 contract between such regulated provider and the Public Service Commission or the State
18 of Georgia for the sale of natural gas in Georgia in accordance with Code Section
19 46-4-166.

20 (g) On and after the date of the declaration of an emergency as provided in subsection (a)
21 of this Code section and upon the expiration of any contract between the regulated provider
22 and an electing distribution company that provides for the distribution of natural gas from
23 the electing distribution company and the expiration of any contract between such regulated
24 provider and the Public Service Commission or the State of Georgia for the sale of natural
25 gas in Georgia in accordance with Code Section 46-4-166, the electing distribution
26 company shall be prohibited from any further distribution to such regulated provider of any
27 natural gas to be resold in intrastate commerce to retail customers in this state.

28 (h) After the declaration of an emergency as provided in subsection (a) of this Code
29 section, an electing distribution company and its affiliate marketer may merge into a single
30 gas company to be regulated in the same manner as gas companies were regulated prior to
31 the issuance of a certificate of authority as provided in Code Section 46-4-153 and the
32 implementation of this article. Such a gas company shall be regulated by provisions of law
33 other than Code Sections 46-2-23.1 and 46-4-150 through 46-4-166 and by rules and
34 regulations of the commission not in conflict with such other laws.

35 (i) On and after the date of the declaration of an emergency as provided in subsection (a)
36 of this Code section and upon the expiration of any contract between the regulated provider

1 and an electing distribution company that provides for the distribution of natural gas from
2 the electing distribution company and the expiration of any contract between such regulated
3 provider and the Public Service Commission or the State of Georgia for the sale of natural
4 gas in Georgia in accordance with Code Section 46-4-166, any moneys in the universal
5 service fund created in accordance with Code Section 46-4-161 shall be transferred to the
6 Department of Human Resources for distribution to low and fixed income consumers of
7 natural gas in accordance with Code Section 46-1-5.

8 (j) The Public Service Commission is authorized to promulgate and adopt rules and
9 regulations necessary to carry out the provisions of this Code section.

10 (k) Nothing in this Code section shall be construed to impair the obligation of any
11 contract."

12 **SECTION 2.**

13 This Act shall become effective July 1, 2006.

14 **SECTION 3.**

15 All laws and parts of laws in conflict with this Act are repealed.